

## Message Text

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INFO AMEMBASSY BONN

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USMISSION EC BRUSSELS

USMISSION IAEA VIENNA

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E.O.11652: N/A

TAGS: TECH, FR

SUBJECT: GAO REVIEW OF PEACEFUL NUCLEAR EXPORT POLI-  
CIES OF MAJOR SUPPLIER NATIONS

REF: STATE 310540

### I. BACKGROUND ON NUCLEAR ACTIVITIES

1.A. OVERVIEW OF PROGRAM. THE FRENCH GOVERNMENT AGENCY, COMMISSARIAT A L'ENERGIE ATOMIQUE (CEA), HAS FULL RESPONSIBILITY FOR THE PROMOTION AND COORDINATION OF EVERY ASPECT OF NUCLEAR ENERGY IN FRANCE AND PERFORMED BY FRENCH INTERESTS IN OTHER COUNTRIES. CEA WAS CREATED BY GOVERNMENT DECREE ON OCTOBER 18, 1945, TO: ADVISE THE GOVERNMENT AND IMPLEMENT FRANCE'S NUCLEAR POLICY; PURSUE NECESSARY RESEARCH AND DEVELOPMENT ACTIVITIES INCLUDING BASIC AND APPLIED SCIENCES RELATED TO NUCLEAR MATTERS; TRANSFER NUCLEAR TECHNOLOGY

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TO END-USERS INCLUDING THE NATIONAL UTILITY, ELECTRICITE DE FRANCE, AND PRIVATE INDUSTRY; PERFORM STUDIES AND PRODUCTION OF NUCLEAR MATERIALS FOR THE BENEFIT OF NATIONAL DEFENSE; AND STUDY GOVERNMENTAL MEASURES FOR THE PROTECTION OF GOODS AND PEOPLE AGAINST ANY PHYSICAL AND ENVIRONMENTAL DANGERS OF ATOMIC ENERGY.

1.B. NATIONAL NUCLEAR POLICY IS DEVELOPED PRINCIPALLY IN THE MINISTRY OF INDUSTRY AND RESEARCH AND THROUGH IT BY THE CEA. OTHER MINISTRIES INVOLVED INCLUDE THE MINISTRY OF DEFENSE, WHICH CONTRIBUTES POLICY DIRECTION TO CEA'S MILITARY NUCLEAR RESEARCH ACTIVITIES, THE OFFICE OF THE PRIME MINISTER, WHICH DIRECTS THE ACTIVITIES OF THE SECRETARY GENERAL OF THE INTERMINISTERIAL COMMITTEE ON SAFETY AND PROTECTION, THE MINISTRY OF HEALTH AND THE MINISTRY OF THE QUALITY OF LIFE WHICH ALSO CONTRIBUTE TO POLICIES REGARDING SAFETY AND PROTECTION AND THE MINISTRY OF FINANCE AND THE MINISTRY OF FOREIGN AFFAIRS WHICH ARE INVOLVED IN FINANCING AND INTERNATIONAL ACTIVITIES, RESPECTIVELY. POLICIES REGARDING FRENCH NUCLEAR EXPORTS ARE SUBJECT TO OVERVIEW BY A SPECIAL INTERMINISTERIAL COUNCIL CHAIRED BY THE PRESIDENT OF THE REPUBLIC, KNOWN AS THE INTERMINISTERIAL COUNCIL ON NUCLEAR EXPORT POLICY.

L.C. CEA IS STRUCTURED AS FOLLOWS: GENERAL DIRECTION BY AN ADMINISTRATOR, SENIOR TECHNICAL ADVICE BY A HIGH COMMISSIONER AND GENERAL POLICY DEVELOPED BY A SENIOR CENTRAL STAFF.

OPERATIONAL UNITS INCLUDE:

- MILITARY APPLICATION
- NUCLEAR MATERIALS THROUGH COGEMA (COMPAGNIE GENERALE DES MATIERES NUCLEAIRES) THROUGH PARTICIPATION IN: -- EURODIF I, EURODIF II (AKA COREDIF), ENRICHMENT
- MINING AND CONCENTRATE ACTIVITIES IN FRANCE (URANEX, CFMU, SIMO), IN NIGER (SOMAIR, COMINAK), IN GABON (COMUF), IN CENTRAL AFRICA (URCA), IN CANADA

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(AMOK, SERU-NUCL.) AND IN AUSTRALIA, THE USA, ETC.

- REPROCESSING THROUGH UNITED REPROCESSORS (UK, F, FRG)

AND SUBCONTRACTORS INCLUDING ST. GOBAIN, PUK

- INSTITUTE OF FUNDAMENTAL RESEARCH
- INSTITUTE OF SAFETY AND PROTECTION
- INDUSTRIAL NUCLEAR APPLICATION THROUGH:
  - TECHNICATOME (SMALL REACTORS)
  - FRAMATOME (PWR)
  - NOVATOME (LMFBR AND HTGR)

AND SUBCONTRACTORS INCLUDING CREUSOT LOIRE.

1.D. THE INTERMINISTERIAL COMMITTEE ON SAFETY AND PROTECTION, WITH STAFF REPORTING TO THE PRIME MINISTER, IS SUPPORTED BY CEA'S INSTITUTE OF SAFETY AND PROTECTION.

1.E. THE MINISTRY OF FOREIGN AFFAIRS FOCUSES ALL ITS STAFF WORK ON NUCLEAR MATTERS IN AN OFFICE OF ATOMIC AFFAIRS UNDER THE DIRECTOR OF SCIENTIFIC AFFAIRS.

2. EXPORT ACTIVITY

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R 251806Z JAN 77  
FM AMEMBASSY PARIS  
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INFO AMEMBASSY BONN  
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2.A. FRENCH EXPORTS OF NUCLEAR REACTORS BEGAN  
IN 1969 WITH THE CONSTRUCTION IN BELGIUM OF AN 870 MWE  
REACTOR FOR SEMO. TWO ADDITIONAL REACTORS WERE  
ORDERED FOR BELGIUM IN 1974, EACH WITH A CAPACITY OF  
925 MWE. IN 1976, IRAN SUBMITTED A LETTER OF INTENT  
TO PURCHASE TWO REACTORS EACH 925 MWE AND IN THE SAME  
YEAR SOUTH AFRICA ORDERED TWO UNITS EACH OF 922 MWE.

2.B. THROUGH COGEMA THERE ARE SEVERAL VERY ACTIVE  
FRENCH PROSPECTING ENTERPRISES, MOSTLY IN ASSOCIATION  
WITH FOREIGN PARTNERS, WHICH INCLUDE OPERATIONS IN  
NIGER, GABON, MAURITANIA, SENEGAL, CANADA, USA,  
AUSTRALIA AND INDONESIA. WHILE IT IS UNDERSTOOD THAT  
THERE HAVE BEEN NO EXPORTS OF URANIUM MINED IN FRANCE,  
IT IS ASSUMED THAT A SIGNIFICANT PORTION OF THE  
URANIUM MINED BY FRENCH SUBSIDIARIES IN OTHER COUNTRIES  
HAVE BEEN EXPORTED UNDER FRENCH CONTROL TO THIRD  
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COUNTRIES.

2.C. IN THE ENRICHMENT FIELD FRANCE HAS AN EXTENSIVE CONSTRUCTION PROGRAM UNDERWAY WHICH ENJOYS FOREIGN PARTIAL OWNERSHIP IN RETURN FOR A PROPORTIONATE SHARE OF THE PRODUCTION OF THE FACILITY. EURODIF I IS GASEOUS DIFFUSION PLANT LOCATED AT TRICASTIN WHICH WILL HAVE AN ANNUAL CAPACITY OF 10.7 MILLION SWUS. ITS INITIAL PRODUCTION IS SCHEDULED FOR 1979 WITH 2.3 MILLION SWUS AND FULL PRODUCTION IS SCHEDULED BY 1982. A SECOND SUCH FACILITY, EURODIF II, HAS BEEN APPROVED, WHICH IS SCHEDULED FOR 5 MILLION SWUS WITH INITIAL PRODUCTION BEGINNING IN 1984. OWNERSHIP OF EURODIF I IS DIVIDED AS FOLLOWS: FRANCE-43 PERCENT; ITALY-25 PERCENT; BELGIUM-11 PERCENT; SPAIN-11 PERCENT; IRAN-10 PERCENT. EURODIF II HAS THE FOLLOWING OWNERSHIP: EURODIF I-51 PERCENT; FRANCE-29 PERCENT; IRAN-20 PERCENT. NINETY PERCENT OF THE PRODUCTION OF EURODIF I HAS BEEN SCHEDULED TO GO TO SHAREHOLDERS, THE REMAINING BALANCE TO JAPANESE, GERMAN AND SWISS ELECTRICAL UTILITIES. NO SIMILAR INFORMATION IS AVAILABLE ON EURODIF II.

2.D. AT LE HAGUE, FRANCE HAS A REPROCESSING FACILITY WHICH WILL REACH 400 TONNES PER YEAR IN 1978 AND 800 TONNES PER YEAR BY 1981. BY 1981 THE FUEL STORAGE POND AT LE HAGUE WILL HAVE A CAPACITY OF 1,250 TONNES. CURRENT PLANS ARE TO EXPAND THE REPROCESSING CAPACITY AT LE HAGUE TO REACH 1,500 TONNES PER YEAR BY EARLY 1990. COGEMA MANAGES LE HAGUE'S OPERATIONS AND UNDER THE AUSPICES OF THE UNITED REPROCESSORS OFFERS LONG-TERM CONTRACTS FOR STORAGE IN REPROCESSING OF IRRADIATED FUELS.

3. NUCLEAR INDUSTRY. THE FRENCH INDUSTRIAL NUCLEAR CAPACITY HAS BEEN BRIEFLY OUTLINED ABOVE FOR ENRICHMENT AND REPROCESSING. PRESSURIZED WATER REACTORS ARE PRODUCED SOLELY BY FRAMATOME. IT IS UNCLASSIFIED

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ESTIMATED THAT SEVEN TO EIGHT REACTORS PER YEAR OF THE 900 MW TO 1,200 MW ELECTRIC SIZE ARE NECESSARY TO MAINTAIN AN ECONOMICALLY VIABLE INDUSTRY. IN 1974 FRANCE HAD INSTALLED NUCLEAR REACTORS PRODUCING 2,800 MWE, NINE REACTORS, INCLUDING THE PHENIX LMFBR. THIS CONSTITUTED 7.7 PERCENT OF THE TOTAL NATIONAL PRODUCTION OF ELECTRICITY (180 TWH). THE LONG-TERM OBJECTIVE

OF THE FRENCH ELECTRICAL PLAN IS TO HAVE 19,000 MWE  
INSTALLED BY 1980 WHICH WOULD CONSTITUTE 30 PERCENT OF  
THE TOTAL POWER PRODUCTION (260/275 TWH), AND BY 1985  
NUCLEAR SHOULD PROVIDE 70 PERCENT TO 75 PERCENT OF THE  
TOTAL PRODUCTION OF ELECTRIC POWER. FRANCE'S NUCLEAR  
PROGRAM SCHEDULED THREE REACTORS OF 900 MWE EACH TO  
COME INTO OPERATION IN 1976, ONE 900 MWE REACTOR IN  
1977, FOUR SIMILAR REACTORS TO BEGIN SERVICE IN 1978,  
FIVE SIMILAR REACTORS TO BEGIN SERVICE BY 1979, SIX BY  
1980 AND THREE MORE IN 1981. IN 1982 AND 1983 ONE  
EACH 1,300 MWE PLANTS WILL COME INTO OPERATION WITH  
FIVE 900 MWE PLANTS COMING INTO OPERATION IN 1982.  
THIS PROGRAM IS GENEROUS AND WILL FULLY ACCOMMODATE  
THE REASONABLE EXPECTATION IN THE POWER DEMAND GROWTH  
IN FRANCE. IT MAY ALSO ASSIST FRANCE IN REDUCING THE  
FULL TIME OPERATION OF SOME FOSSIL FUEL PLANTS AND  
THUS ASSIST FRANCE IN REDUCING ITS NECESSARY PURCHASE  
OF PETROLEUM FROM OTHER COUNTRIES. THIS PROGRAM, IN  
ADDITION, LEAVES A STRONG DESIRE FOR TWO TO FOUR  
NUCLEAR REACTORS PER YEAR TO BE SOLD TO OTHER  
COUNTRIES.

## II. STATUTORY REQUIREMENTS AND AGREEMENTS FOR COOPERATION.

### 1. LAWS AND REGULATIONS GOVERNING ATOMIC ENERGY

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R 251806Z JAN 77  
FM AMEMBASSY PARIS  
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INFO AMEMBASSY BONN  
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ACTIVITIES. THE TEXT OF THE ORDINANCE OF OCTOBER, 1945, COVERS THE CREATION OF THE CEA. A GOVERNMENT DECREE OF 1963, MODIFIED IN 1973, COVERS THE BUILDING OF NUCLEAR REACTORS; A GOVERNMENT CIRCULAR OF 1976 OUTLINES PROCEDURES FOR PUBLIC REVIEW OF PROPOSED SITES OF PUBLIC UTILITIES EITHER FOSSIL FUEL OR NUCLEAR; A GOVERNMENT DECREE OF 1974 DEALS WITH EFFLUENTS OF RADIOACTIVE GASSES AND THEIR CONTROL; AND A DECREE OF DECEMBER, 1974, DEALS WITH RADIOACTIVE LIQUID EFFLUENTS AND THEIR CONTROL; A DECREE OF 1973 ESTABLISHES A CENTRAL SERVICE ON THE SAFETY OF NUCLEAR INSTALLATIONS REPORTING TO THE MINISTRY OF INDUSTRY AND RESEARCH; AND A DECREE OF 1975 ESTABLISHES THE INTERMINISTERIAL COMMITTEE ON NUCLEAR SECURITY REPORTING TO THE PRIME MINISTER. (THE ABOVE MATERIALS HAVE BEEN POUCHED TO THE DEPARTMENT, ATTN: OES/NET.) A COMPENDIUM UNCLASSIFIED

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OF THESE REGULATIONS, DATED MARCH 4, 1976, PREPARED BY ELECTRICITE DE FRANCE (ALSO POUCHED) COLLATES THE SEVERAL DECREES AND PRESENTS RATIONALLY FRENCH REGULATIONS CONCERNING THE CONSTRUCTION AND THE OPERATION OF NUCLEAR REACTORS.

2. FRENCH NUCLEAR AGREEMENTS

BILATERAL:

FEDERAL REPUBLIC OF GERMANY, JANUARY 19, 1967, AND JULY 6, 1974, HIGH FLUX REACTOR;  
BELGIUM, SEPTEMBER 23, 1956, ARDENNES NUCLEAR PLANT;

BRAZIL, MAY 2, 1962, UTILIZATION OF ATOMIC ENERGY, JUNE 9, 1961, EURATOM-BRAZIL AGREEMENT;  
CANADA, SEPTEMBER 30, 1968, PLUTONIUM;  
SPAIN, JULY 27, 1967, DECEMBER 15, 1967, NOVEMBER 26, 1970;

UNITED STATES, MAY 7, 1959, ATOMIC ENERGY FOR MUTUAL DEFENSE, JULY 27, 1961;

INDONESIA, APRIL 3, 1969;

IRAN, JUNE 27, 1974;

IRAQ, NOVEMBER 18, 1975 (POUCHED);

JAPAN, JULY 23, 1965, FEBRUARY 26, 1972, SEPTEMBER 22, 1972, JUNE 20, 1975;

PAKISTAN, DECEMBER 14, 1962;

SWITZERLAND, JULY 19, 1956, SEPTEMBER 13, 1965,

EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCH, MAY 14, 1970;  
VIETNAM, JANUARY 28, 1961.

MULTILATERAL:

-- UNESCO CONVENTION TO ESTABLISH A EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCH (CERN), JULY 1, 1953, AND AMENDMENTS;

-- CONVENTION FOLLOWING THE STATUTE OF THE INTERNATIONAL AGENCY FOR ATOMIC ENERGY, OCTOBER 26, 1956, AND AMENDMENTS;

-- TREATY ON THE CREATION OF C.E.E.A. (ATOMIC ENERGY EUROPEAN COMMUNITY), MARCH 25, 1957;  
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-- OECD DECISION ON CREATION OF THE EUROPEAN AGENCY FOR NUCLEAR ENERGY, DECEMBER 17, 1957;

-- CONVENTION ON THE CREATION OF EUROCHEMIC, DECEMBER 20, 1957;

-- OECD CONVENTION ON SECURITY CONTROL IN THE FIELD OF NUCLEAR ENERGY, DECEMBER 20, 1957;

-- OECD CONVENTION ON CIVILIAN RESPONSIBILITY IN NUCLEAR ENERGY, 1960, AND AMENDMENTS;

-- OECD CONVENTION ON MARITIME TRANSPORTATION OF NUCLEAR MATERIALS, DECEMBER 17, 1971;

-- IAEA-FRANCE-JAPAN ACCORD ON NUCLEAR SAFEGUARDS, SEPTEMBER 22, 1972;

-- UK-FRG-FRANCE EXCHANGE OF LETTERS ON COOPERATION IN THE FIELD OF STUDIES USING INTENSE NEUTRINO BEAMS, DECEMBER 19, 1972;

-- SECOND PROTOCOL TO TREATY ON NON-NUCLEAR ARMS IN LATIN AMERICA, JULY 18, 1973;

-- UK-FRG-FRANCE CONVENTION ON THE CONSTRUCTION AND OPERATION OF A HIGH FLUX REACTOR, JULY 19, 1974;

-- IAEA-SOUTH KOREA-FRANCE SAFEGUARDS AGREEMENT, SEPTEMBER 22, 1975;

-- ACCORD ON COOPERATION BETWEEN C.E.E.A. AND THE INTERNATIONAL ATOMIC ENERGY AGENCY, DECEMBER 1, 1975;

-- IAEA-PAKISTAN-FRANCE SAFEGUARDS AGREEMENT, MARCH 18, 1976 (POUCHED).

3. CRITERIA FOR NUCLEAR EXPORTS. ON SEPTEMBER 1, 1976, THE PRESIDENT OF THE REPUBLIC ESTABLISHED A COUNCIL ON NUCLEAR EXPORT POLICY, CHAIRED BY THE PRESIDENT, IT INCLUDES THE PRIME MINISTER, THE MINISTERS OF FOREIGN AFFAIRS, DEFENSE, ECONOMY AND FINANCE, INDUSTRY AND RESEARCH, AND FOREIGN TRADE AND THE ADMINISTRATOR OF CEA. ON OCTOBER 11 THE COUNCIL

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R 251806Z JAN 77  
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PRESENTED SIX GENERAL GUIDELINES CONCERNING THE EXPORT  
OF NUCLEAR EQUIPMENT, TECHNOLOGIES AND MATERIALS:

3.A. NUCLEAR ENERGY REPRESENTS FOR A CERTAIN  
NUMBER OF COUNTRIES A COMPETITIVE SOURCE OF ENERGY  
NECESSARY FOR DEVELOPMENT. THEREFORE, FRANCE WILL  
REMAIN PREPARED TO CONTRIBUTE TO THE IMPLEMENTATION  
OF THE PEACEFUL USE OF NUCLEAR ENERGY.

3.B. FRANCE INTENDS TO KEEP FULL COMMAND OF ITS  
NUCLEAR EXPORT POLICIES IN ACCORDANCE WITH RELEVANT  
INTERNATIONAL AGREEMENTS.

3.C. FRANCE DOES NOT FAVOR THE PROLIFERATION OF  
NUCLEAR ARMS. IN ITS NUCLEAR EXPORT POLICY, FRANCE  
WILL REINFORCE APPROPRIATE SAFEGUARDS AND GUARANTEES  
REGARDING NUCLEAR EQUIPMENT, MATERIALS AND TECHNOLOGIES.

3.D. FRANCE WILL ASSURE THE SECURITY OF SUPPLIES  
OF NUCLEAR FUELS FOR NUCLEAR PLANTS THAT IT HAS SOLD  
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AND WILL MEET THE LEGITIMATE NEEDS OF OTHERS FOR ACCESS  
TO NUCLEAR TECHNOLOGIES. FRANCE WILL ALSO ENSURE THE  
SERVICES OF ALL PORTIONS OF THE FUEL CYCLE THAT ARE  
REQUESTED. FRANCE IS READY TO STUDY WITH INTERESTED  
PARTIES ON A BILATERAL OR MULTILATERAL BASIS AGREEMENTS



LIKELY TO GUARANTEE THESE RESULTS.

3.E. THE FRENCH GOVERNMENT IS OF THE OPINION THAT IT IS INDISPENSABLE THAT ALL SUPPLIES OF NUCLEAR EQUIPMENT, MATERIALS AND TECHNOLOGIES AVOID TO FAVOR PROLIFERATION OF NUCLEAR ARMS THROUGH COMMERCIAL COMPETITION.

3.F. FRANCE IS PREPARED TO DISCUSS THESE PROBLEMS WITH SUPPLYING COUNTRIES AND/OR WITH RECEIVING COUNTRIES WHICH ARE ENGAGED IN SUBSTANTIAL PROGRAMS OF NUCLEAR POWER PLANTS.

ON DECEMBER 16, 1976, THE COUNCIL PRESENTED A BRIEF STATEMENT THAT UNTIL FURTHER NOTICE THE SIGNATURE OF BILATERAL CONTRACTS COVERING THE SALE TO OTHER COUNTRIES OF NUCLEAR REPROCESSING PLANTS WOULD NO LONGER BE AUTHORIZED. IN PRACTICE, FRANCE REQUIRES A BILATERAL AGREEMENT COVERING SAFEGUARDS AND CONDITIONS FOR THE SALE OF NUCLEAR MATERIALS AND SENSITIVE TECHNOLOGIES. IN ADDITION, IT REQUIRES TRILATERAL AGREEMENTS WITH THE IAEA COVERING THAT AGENCY'S SAFEGUARDS PROCEDURES. THE DETAILS OF THESE AGREEMENTS APPEAR FULLY COMPATIBLE WITH THE LONDON SUPPLIERS GUIDELINES.

### III. REGULATORY AND LICENSING FUNCTIONS

THE MINISTRY OF FINANCE THROUGH ITS DIRECTOR OF CUSTOMS AND TAXES HAS AUTHORITY TO REGULATE FRENCH EXPORTS. THE FRENCH JOURNAL OFFICIEL, DECEMBER 8, 1976, LISTS, AMONG OTHER ITEMS, ALL NUCLEAR MATERIALS, EQUIPMENT, COMPONENTS, SUBCOMPONENTS AND COMPLETE FACILITIES WHICH REQUIRE AN EXPORT LICENSE (COPY POUCHED). ON A CASE-BY-CASE BASIS, EXPORTERS ARE REQUIRED TO IDENTIFY SPECIFICALLY THE EQUIPMENT TO BE EXPORTED AND ITS DESTINATION AS PART OF THE APPLICATION FOR THE EXPORT PERMIT. THE MINISTRY OF FINANCE NORMALLY CONSULTS OTHER INTERESTED

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AGENCIES WHICH, IN THE CASE OF NUCLEAR MATERIALS, WOULD INCLUDE THE MINISTRY OF FOREIGN AFFAIRS AND THE CEA. THE DECEMBER 8, 1976, LISTING IS UP-TO-DATE WITH REGARD TO THE LONDON SUPPLIERS DISCUSSIONS, INCLUDING IDENTIFYING TYPES AND TRIGGER QUANTITIES OF NUCLEAR MATERIALS, EQUIPMENT AND TECHNOLOGY.

### IV. SAFEGUARDS

1. THE EARLY FRENCH-BUILT REACTORS IN BELGIUM WERE SUBJECTED TO EURATOM SAFEGUARDS; LATER CONTRACTS FOR FRENCH REACTORS IN SOUTH AFRICA AND THOSE EXPECTED IN IRAN WILL REQUIRE IAEA SAFEGUARDS. FRANCE HAS SUPPORTED THE IAEA SAFEGUARDS PROGRAM AND IS EXPECTED TO INSIST UPON ITS PROVISIONS IN THE EXPORT OF ANY NUCLEAR MATERIAL APPROPRIATELY REQUIRING SUCH SAFEGUARDS. TYPICALLY FRENCH FOREIGN SALES ARRANGEMENTS CONSIST OF A BILATERAL AGREEMENT AND A TRILATERAL AGREEMENT WITH

THE IAEA.

2. THE SOUTH AFRICAN BILATERAL CONTAINS A PROVISION THAT SHOULD THE RECIPIENT WITHDRAW FROM THE NON-PROLIFERATION TREATY THAT IAEA SAFEGUARDS OR THE EQUIVALENT WOULD CONTINUE; THERE IS NO SPECIFIC MENTION OF SANCTIONS THAT WOULD BE ESTABLISHED IF THE RECIPIENT WENT SO FAR AS TO OBSTRUCT THE APPLICATION OF ANY SAFEGUARDS. THE LENGTH OF TIME FOR THE SAFEGUARDS COVERAGE INCLUDES REFERENCE TO THE SENSITIVE LIFE OF THE NUCLEAR MATERIALS OR TECHNOLOGIES. IN THE RECENTLY CONCLUDED TRILATERAL AGREEMENT WITH THE IAEA AND SOUTH AFRICA, FRANCE HAS MADE ADDITIONAL REQUIREMENTS: THE EXPORT FROM SOUTH AFRICA OF SPENT FUEL FOR REPROCESSING; AND A SECOND CONDITION THAT IAEA SAFEGUARDS ALSO APPLY TO

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R 251806Z JAN 77  
FM AMEMBASSY PARIS  
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THE SUBSEQUENT CONSTRUCTION OF ANY REACTORS THAT ARE BASED UPON THE TECHNOLOGY OF THE FRENCH-BUILT REACTORS.

3. FRANCE HAS HAD A LONGSTANDING RELATIONSHIP WITH THE IAEA; THE ONE LIMITATION IS THAT FRANCE DOES NOT PERMIT THE EXTENSION OF IAEA SAFEGUARDS TO ALL OF

THE FRENCH NUCLEAR FACILITIES.

V. PHYSICAL SECURITY

1. AS A BASIC POLICY, FRANCE BELIEVES THAT PHYSICAL SECURITY OF NUCLEAR MATERIALS IS A MATTER WHICH FALLS SOLELY WITHIN THE COMPETENCE OF A NATION-STATE AND IS NOT A MATTER TO BE PRESCRIBED BY INTER-NATIONAL AGREEMENTS OR ENFORCED THROUGH BILATERAL OR MULTILATERAL ACCORDS. IN THE LONDON SUPPLIERS DISCUSSIONS, FRANCE HAS SUPPORTED THE GUIDELINES ON THE CLASSIFICATION OF SECURITY AND RISK POTENTIAL OF NUCLEAR UNCLASSIFIED

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MATERIALS AND EQUIPMENT. BUT IT HAS NOT AGREED TO THE REQUIREMENT THAT CERTAIN AND SPECIFIC MEASURES BE TAKEN BY EACH COUNTRY RELATING TO EACH LEVEL OF RISK.

2. WITHIN THE BILATERAL AGREEMENT WITH SOUTH AFRICA (ARTICLE 3), PROVISION HAS BEEN MADE FOR THE RECIPIENT TO UNDERTAKE ADEQUATE PHYSICAL SECURITY MEASURES; THERE ARE NO PROVISIONS FOR FRANCE TO MAKE PRIOR INSPECTION OR TO BE CONTINUALLY ADVISED OF THE STATE OF SOUTH AFRICAN PHYSICAL SECURITY MEASURES OR TO TAKE ANY ACTIONS IF THESE MEASURES WEAKEN OR BECOME INADEQUATE. IT IS ASSUMED THAT FRANCE IS CONCERNED AND PROBABLY THROUGH MORAL PERSUASION WOULD URGE SOUTH AFRICA TO MAINTAIN STANDARDS EQUIVALENT TO THE ADVICE DEVELOPED IN THE LONDON SUPPLIERS MEETINGS.

VI. RETRANSFERS

THE MINISTRY OF FINANCE THROUGH ITS DIVISION OF CUSTOMS IS RESPONSIBLE FOR THE EXPORT OF SPECIFIC MATERIALS FROM FRANCE. HOWEVER, THE MINISTRY OF FOREIGN AFFAIRS WHICH HAS RESPONSIBILITY FOR THE MAINTENANCE OF INTERNATIONAL AGREEMENTS WOULD RECEIVE THE REQUEST AND WOULD HAVE RESPONSIBILITY FOR DECISIONS REGARDING RE-EXPORT OF NUCLEAR MATERIALS, EQUIPMENT OR TECHNOLOGY BY A RECIPIENT COUNTRY. FRANCE HAS FOLLOWED THE LONDON SUPPLIERS GUIDELINES WITH REGARD TO THE EXTENSION OF SAFEGUARDS TO RETRANSFERS OF MATERIALS AND TECHNOLOGY. FRANCE DOES REQUIRE THAT ANY RETRANSFER BE DONE ONLY WITH ITS PRIOR APPROVAL.

VII. NUCLEAR EXPORT FINANCING

THERE IS LITTLE PUBLISHED REGARDING SPECIFIC FRENCH POLICIES AND PRACTICES ON THE FINANCING OF NUCLEAR EXPORTS. IT IS UNDERSTOOD THAT THE NORMAL PROVISIONS OF THE MINISTRY OF FINANCE REGARDING GENERAL EXPORTS COVER NUCLEAR PRODUCTS AS WELL; THE TERMS AND RATES OF LOANS ARE MORE SEVERE THAN THOSE OF THE US EX-IM BANK. IN THE PAST, FRANCE HAS UNDERTAKEN THE SALES OF NUCLEAR REACTORS UNCLASSIFIED

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AS PART OF AN OVERALL GOVERNMENT-TO-GOVERNMENT COOPERATIVE PROGRAM. THESE ARRANGEMENTS HAVE BEEN PART BARTER-PART FINANCING AND INVOLVE A NUMBER OF TECHNICAL PROJECTS PERFORMED BY FRANCE IN THE RECIPIENT COUNTRY IN EXCHANGE FOR CERTAIN VOLUMES OF COMMODITIES TO BE IMPORTED BY FRANCE. IT IS NOT KNOWN PRECISELY WHAT THE TERMS OF A REACTOR SALE HAVE BEEN IN THE CONTEXT OF THESE OVERALL BARTER PACKAGES. THE SALE OF TWO REACTORS TO SOUTH AFRICA IS OF THE STANDARD FORMAT AND IT IS ASSUMED THAT THERE WERE NO OTHER COMMODITIES EXCHANGES OR PURCHASES DIRECTLY ASSOCIATED WITH THAT SALE; HOWEVER, THE TERMS OF THE CONTRACT FOR THE TWO FRENCH REACTORS ARE NOT KNOWN.

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ACTION OES-06

INFO OCT-01 EUR-12 EA-09 IO-13 ISO-00 ACDA-10 CIAE-00  
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AMEMBASSY LONDON  
AMEMBASSY OTTAWA  
AMEMBASSY TOKYO  
USMISSION EC BRUSSELS  
USMISSION IAEA VIENNA

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VIII. NUCLEAR SUPPLIERS MEETINGS

FRANCE HAS BEEN AN ACTIVE ORIGINAL PARTICIPANT IN THE LONDON NUCLEAR SUPPLIERS MEETINGS. AFTER THE UNSCHEDULED NEWSPAPER REPORTING ON THE RESULTS OF THE LONDON SUPPLIERS MEETING IN LATE 1975 AND EARLY 1976, THE FRENCH FOREIGN MINISTER PRESENTED THE FRENCH NATIONAL ASSEMBLY WITH FRANCE'S OWN POLICIES REGARDING THE EXPORT OF NUCLEAR MATERIALS, EQUIPMENT AND TECHNOLOGIES. THESE, IN FACT, WERE VERY SIMILAR TO THE GUIDELINES BEING PRESENTED IN MANY OF THE NUCLEAR SUPPLIER CAPITALS. THE FRENCH FOREIGN MINISTER DID NOT STATE THAT THE GUIDELINES WERE IDENTICAL TO THOSE OF OTHER SUPPLIER NATIONS OR THAT THEY HAD BEEN DEVELOPED IN CONCERT WITH OTHERS THROUGH THE LONDON SUPPLIERS MEETINGS.

SINCE THE ADVENT OF THE LONDON SUPPLIERS MEETINGS,  
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THERE HAS CERTAINLY BEEN A GREAT CHANGE IN THE PUBLIC POSTURE OF FRANCE REGARDING NUCLEAR SAFEGUARDS. THIS IS BEST EVIDENCED BY THE CREATION OF THE INTERMINISTERIAL COUNCIL ON NUCLEAR EXPORT POLICY AND THE STATEMENTS BY THAT COUNCIL TO DATE (COVERED IN PREVIOUS PARAGRAPHS).

FRANCE IS NOT A SIGNATORY TO THE NPT ALTHOUGH FRANCE HAS PUBLICLY STATED THAT ITS ACTIONS WILL BE AS IF SHE HAD SIGNED THE TREATY. FRANCE HAS PARTICIPATED IN THE DEVELOPMENT OF THE LONDON SUPPLIERS GUIDELINES AND HAS APPLIED THOSE GUIDELINES TO ITS EXPORT ARRANGEMENTS. SINCE SEPTEMBER, 1976, FRANCE HAS TAKEN ON A VERY DIFFERENT PUBLIC POSTURE ON SAFEGUARDS TO THE EXTENT OF POSTPONING INDEFINITELY THE SALE OF SENSITIVE TECHNOLOGIES, SPECIFICALLY ENRICHMENT AND REPROCESSING. TO MAKE A COMMERCIALLY VIABLE BUSINESS OF ITS NUCLEAR INDUSTRY FRANCE WILL AGGRESSIVELY SELL TO RESPONSIBLE PARTIES ITS NUCLEAR REACTORS AND SUPPORT THOSE SALES THROUGH FULL FUEL CYCLE SERVICES.  
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Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
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